



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

DAVE GOETZ
COMMISSIONER

FOR IMMEDIATE RELEASE
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JULY REVENUES

NASHVILLE - Tennessee revenue collections for July reflect continued steady growth, as predicted by most economic experts in the state. Finance and Administration Commissioner Dave Goetz today reported today that overall July revenues were \$64.1 million more than the state budgeted.

"We continue to see healthy corporate collections and strong consumer confidence in Tennessee, as indicated in franchise and excise taxes and sales tax collections," Goetz said. "This is totally in line the expectations we were given in May from the state Funding Board and the state's economic advisers. What's important now is that we continue to invest wisely to meet our goals in education, jobs and health care."

On an accrual basis, July is the twelfth month in the 2005-2006 fiscal year. Department of Revenue collections were \$834.5 million.

The general fund was \$59.2 million overcollected and the four other funds overcollected by \$4.9 million.

Sales tax collections were \$41.8 million more than the estimate for July. For twelve months revenues were overcollected by \$175.9 million. The July growth rate was 7.16%. Year-to-date growth was 7.02%.

Franchise and excise taxes were \$14.7 million more than the estimate of \$45.0 million. For twelve months revenues were \$136.6 million overcollected.

Gasoline and motor fuel collections were \$2.4 million above the budgeted estimate of \$73.6 million. For twelve months, collections were \$12.4 million more than the estimate.

Year-to-date collections for twelve months were \$411.2 million more than the budgeted estimate. The general fund was overcollected by \$387.5 million and the four other funds were overcollected by \$23.7 million.

The budgeted revenue estimates are based on the State Funding Board's consensus recommendation adopted by the first session of the 104th General Assembly in May of last year.

The revised estimates adopted by the second session of the 104th General Assembly in May of this year assume a surplus of \$169.0 million in sales tax collections, \$61.6 million in franchise and excise taxes, and a general fund surplus of \$ 283.9 million.

Actual collections for fiscal year 2005-2006 are subject to final accrual adjustments.

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REVENUE COLLECTIONS
JULY, 2006, AND 12 MONTHS YEAR-TO-DATE

July Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$630,844,000	\$690,039,000	\$59,195,000
Highway Fund	55,556,000	57,673,000	2,117,000
Sinking Fund	23,238,000	23,515,000	277,000
City & County Fund	57,322,000	60,309,000	2,987,000
Earmarked Fund	3,398,000	2,932,000	(466,000)
Total	\$770,358,000	\$834,468,000	\$64,110,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$8,257,800,000	\$8,645,262,000	\$387,462,000
Highway Fund	648,000,000	651,969,000	3,969,000
Sinking Fund	277,000,000	278,114,000	1,114,000
City & County Fund	706,400,000	728,801,000	22,401,000
Earmarked Fund	32,000,000	28,240,000	(3,760,000)
Total	\$9,921,200,000	\$10,332,386,000	\$411,186,000

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	July			
	2005	2006	Change	Percent
Franchise & Excise	\$77,388,000	\$59,688,000	-\$17,700,000	-22.87%
Income	880,000	1,243,000	363,000	41.25%
Inheritance & Estate	3,179,000	6,972,000	3,793,000	119.31%
Gasoline	51,120,000	53,455,000	2,335,000	4.57%
Petroleum Special	5,416,000	5,603,000	187,000	3.45%
Tobacco	9,008,000	9,912,000	904,000	10.04%
Beer	1,495,000	1,723,000	228,000	15.25%
Motor Vehicle Registration	19,495,000	21,289,000	1,794,000	9.20%
Motor Vehicle Title	924,000	909,000	-15,000	-1.62%
Mixed Drink	3,712,000	4,156,000	444,000	11.96%
Business	3,227,000	1,574,000	-1,653,000	-51.22%
Privilege	26,778,000	30,376,000	3,598,000	13.44%
Gross Receipts	6,463,000	7,029,000	566,000	8.76%
TVA - In Lieu of Tax Payments	18,039,000	18,344,000	305,000	1.69%
Alcoholic Beverage	3,290,000	3,700,000	410,000	12.46%
Sales and Use	551,690,000	591,197,000	39,507,000	7.16%
Motor Vehicle Fuel	16,498,000	16,948,000	450,000	2.73%
Severance	142,000	154,000	12,000	8.45%
Coin-operated Amusement	255,000	148,000	-107,000	-41.96%
Unauthorized Substance	0	48,000	48,000	NA
Total	\$798,999,000	\$834,468,000	\$35,469,000	4.44%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - July			
	2004-2005	2005-2006	Change	Percent
Franchise & Excise	\$1,367,387,000	\$1,495,034,000	\$127,647,000	9.34%
Income	155,430,000	193,126,000	37,696,000	24.25%
Inheritance & Estate	80,313,000	76,752,000	-3,561,000	-4.43%
Gasoline	608,109,000	605,573,000	-2,536,000	-0.42%
Petroleum Special	63,649,000	64,506,000	857,000	1.35%
Tobacco	119,524,000	125,827,000	6,303,000	5.27%
Beer	17,701,000	18,455,000	754,000	4.26%
Motor Vehicle Registration	246,252,000	251,647,000	5,395,000	2.19%
Motor Vehicle Title	11,396,000	10,989,000	-407,000	-3.57%
Mixed Drink	43,090,000	49,058,000	5,968,000	13.85%
Business	116,422,000	118,136,000	1,714,000	1.47%
Privilege	294,124,000	335,698,000	41,574,000	14.13%
Gross Receipts	20,032,000	21,155,000	1,123,000	5.61%
TVA - In Lieu of Tax Payments	214,932,000	220,019,000	5,087,000	2.37%
Alcoholic Beverage	37,689,000	40,184,000	2,495,000	6.62%
Sales and Use	6,094,377,000	6,521,945,000	427,568,000	7.02%
Motor Vehicle Fuel	173,318,000	181,241,000	7,923,000	4.57%
Severance	1,480,000	1,809,000	329,000	22.23%
Coin-operated Amusement	349,000	304,000	-45,000	-12.89%
Unauthorized Substance	0	928,000	928,000	NA
Total	\$9,665,574,000	\$10,332,386,000	\$666,812,000	6.90%

Table 3
August - July Revenue Overcollections/(Undercollections)
Budgeted Estimate

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$168,100,000	\$ 7,800,000	\$175,900,000
Income Tax	22,300,000	8,600,000	30,900,000
Inheritance Tax	(15,200,000)	0	(15,200,000)
Privilege Tax	43,900,000	(3,800,000)	40,100,000
Business Tax	15,400,000	0	15,400,000
TVA	(300,000)	(200,000)	(500,000)
Gross Receipts	3,100,000	0	3,100,000
Gasoline & Motor Fuel Taxes	100,000	12,300,000	12,400,000
Motor Vehicle Registration	(1,300,000)	(4,100,000)	(5,400,000)
Other Taxes	<u>14,800,000</u>	<u>3,100,000</u>	<u>17,900,000</u>
Sub-Total	<u>\$250,900,000</u>	<u>\$ 23,700,000</u>	<u>\$274,600,000</u>
F & E Taxes	<u>136,600,000</u>	<u>0</u>	<u>136,600,000</u>
Total	<u>\$387,500,000</u>	<u>\$ 23,700,000</u>	<u>\$411,200,000</u>